

# CITY OF COLTON

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## Annual Development Impact Fee Report

Fiscal Year Ended June 30, 2022

December 6, 2022

Prepared by:  
NBS  
*for the*  
CITY OF COLTON



# City of Colton



## *City Officials*

Frank J. Navarro, Mayor

David J. Toro, Councilmember, District 1

Ernest R. Cisneros, Councilmember, District 2

Kenneth Koperski, Councilmember, District 3

Dr. Luis S. Gonzalez, Councilmember, District 4

John R. Echevarria, Councilmember, District 5

Isaac T. Suchil, Councilmember, District 6

## *Officers*

Carolina R. Padilla, City Clerk

## *Administrative Team*

William R. Smith, City Manager

Carlos L. Campos, City Attorney

Stacey Dabbs, Finance Director

Brian Dickinson, Public Works & Utility Services Director

Eva Elias, Public Works, Water/Wastewater Admin Manager

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**Attachment** – Current Impact Fee Schedule

# 1. DEVELOPMENT IMPACT FEE REPORT

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The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. Regarding reporting requirements, the Mitigation Fee Act requires annual reporting for each impact fee fund, and a separate more extensive report every fifth year. This report meets the requirements described in 1.1 Annual Report, below. A combined Annual and Five-Year Report will be provided when required according to the City's reporting schedule.

## 1.1 Annual Report

Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund; *(report section 2)*
2. The amount of the fee; *(report section 2 and attachment)*
3. The beginning and ending balance of the account or fund; *(report section 3)*
4. The amount of the fees collected, and interest earned; *(report section 3)*
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees; *(report section 4)*
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement; *(report section 4)*
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended; *(report section 5)*
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f). *(report section 6)*

The annual report must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Section 66013(d) has similar requirements for capacity charges in that, within 180 days after the close of each fiscal year, the local agency must make available to the public the following information:

1. A description of the charges deposited in the fund; *(report section 2)*
2. The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund; *(report section 3)*
3. The amount of charges collected in that fiscal year; *(report section 3)*
4. An identification of:
  - a. Each public improvement on which charges were expended and the amount of expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used; *(report section 4)*
  - b. Each public improvement on which charges were expended that was completed during that fiscal year; *(report section 4)*
  - c. Each public improvement that is anticipated to be undertaken in the following fiscal year; *(report section 4)*
5. A description of each interfund transfer or loan made from the capital facilities fund, including the public improvement on which the transferred or loaned charges are or will be expended and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the fund will receive on the loan. *(report section 5)*

## **1.2 Five-Year Report**

Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

*Disclaimer: In preparing this report and any analysis and findings included herein, NBS has relied on several principal assumptions and considerations with regard to financial matters, conditions and events that occurred or may occur in the future. This information and assumptions, including the City's budgets, financial reports, capital project data, and other information were provided by sources we believe to be reliable; however, NBS has not independently verified such information and assumptions. While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary due to unanticipated events and circumstances.*

## 2. CURRENT IMPACT FEES

Development impact fees (DIFs) in the City of Colton are one-time charges levied on new development in Colton to fund various infrastructure, facilities, vehicles, and equipment. The City’s DIF program was most recently updated by City Council’s ratification of Ordinance O-02-20. The fee amounts included in the Ordinance are substantiated by the Development Impact Fee Justification Study for the City of Colton, Report Date: January 21, 2020 (DIF Study).

### 2.1 Types of Impact Fees and Impact Fee Funds

The fees documented in the body of this Annual Development Impact Fee Report (Report) include the following fees listed below. The revenue and expenditures for each fee type are tracked by the City in separate funds.

Fund No.	Fund/Fee Name	Purpose and Use of the Fee
248	Park Development Fund	The Park Development Fund tracks revenues and expenditures associated with Park Development (Facilities) Fees and Quimby In-Lieu Fees. Quimby In-Lieu fees are regulated by Government Code Section 66477, not the Mitigation Fee Act. This Annual Report intends to comply specifically with the Mitigation Fee Act’s reporting requirements. Therefore, the description of the purpose and use of fees for this fund is limited to the Park Development (Facilities) Fees. These fees are collected and spent on the construction of new parks, recreational facilities, and trails needed to serve new development. The fees are intended to meet demand for park facilities caused by new development through the year 2035.
249	Traffic Impact Fund	Traffic Facilities Fees are collected and spent on the construction of new roadways, interchanges, intersections, traffic signals, bridge construction and related improvements in the City, as specifically identified in the City’s Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development. The fees are intended to meet the transportation demand for new development through the year 2035.
250	New/Library Facilities	Library Facilities Fees are collected and spent on the expansion and remodeling of existing library facilities, acquisition of books, equipment, and materials for these facilities, specifically identified in the City’s Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development.
251	Civic Center	Civic Center Facilities Fees are collected and spent on the acquisition of land, construction of new public buildings, and expansion of existing City facilities to accommodate new development growth. Facilities are identified on the City’s Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development.

Fund No.	Fund/Fee Name	Purpose and Use of the Fee
252	Fire Department Facilities	Fire Department Facilities Fees are collected and spent on the construction of new Fire Department facilities, a fire training facility, dorm and apparatus bay, a fire training tower and vehicle and equipment acquisition and replacement, specifically identified on the City's Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development.
253	Police Department Facilities	Police Department Facilities Fees are collected and spent on the construction, expansion and build-out of Police department facilities as well as vehicle and equipment replacement, specifically identified on the City's Needs List. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development.
521	Water	The City charges a combined Waste/Water Facilities Fee, collected and spent for additional water and wastewater facilities identified as needed to serve new development. Among facilities needed are new wells, treatment plants, booster stations, lift stations, pipes, reservoirs, station rehabs and others. This List is documented within ordinance O-20-20 and the DIF Study, Appendix A, which shows the amount of cost attributable to the impact of new development. Facility needs, costs, and calculated fee amounts for water separate from wastewater are substantiated by the DIF Study, even though the City has adopted a combined Waste/Water Facilities Fee. Revenue is tracked to a specific revenue account within the respective utility funds for Water and Wastewater.
522	Wastewater	

## 2.2 Current Fee Schedule

The Attachment to this report provides a copy of Colton's current DIF Fee Schedule.

### 3. FINANCIAL SUMMARY REPORT

The following financial summary report provides a statement of revenue, expenditures, and changes in fund balance for each impact fee fund, for the Fiscal Year End June 30, 2022. All financial data was sourced from revenue, expenditure, and trial balance reports provided by the City.

Fund No.	248	249	250	251	252	253	521	522
	Park Facilities	Traffic Facilities	Library	Civic Center	Fire Facilities	Police	Water	Wastewater
Description	Fee Fund <sup>2</sup>	Fee Fund	Facilities Fee	Facilities Fee	Fee Fund	Facilities Fee	Facilities	Facilities
			Fund	Fund		Fund	Fees <sup>3</sup>	Fees <sup>3</sup>
<b>REVENUES</b>								
Fees	41,846	33,352	3,952	1,138	6,374	8,305	53,428	117,418
Interest	(27,951)	(93,729)	(3,564)	(1,164)	(2,901)	(3,739)	-	-
Loan Payments	-	-	-	-	-	-	-	-
Other Revenue	36,315	49,208	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>50,210</b>	<b>(11,169)</b>	<b>388</b>	<b>(26)</b>	<b>3,473</b>	<b>4,566</b>	<b>53,428</b>	<b>117,418</b>
<b>Expenditures</b>								
Expenditures	-	247,060	-	-	-	-	3,035,540	777,392
Loan Payments	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>247,060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,035,540</b>	<b>777,392</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>50,210</b>	<b>(258,229)</b>	<b>388</b>	<b>(26)</b>	<b>3,473</b>	<b>4,566</b>	<b>(2,982,112)</b>	<b>(659,974)</b>
<b>Fund Balance, Beginning of the Year<sup>1</sup></b>	<b>3,225,459</b>	<b>9,963,870</b>	<b>375,929</b>	<b>123,096</b>	<b>298,234</b>	<b>385,220</b>	<b>26,086,103</b>	<b>10,691,859</b>
<b>Fund Balance, End of the Year</b>	<b>3,253,914</b>	<b>9,727,307</b>	<b>376,003</b>	<b>122,968</b>	<b>301,452</b>	<b>389,458</b>	<b>26,689,157</b>	<b>10,241,725</b>

<sup>1</sup> Beginning & Ending Fund Balance is reported as cash balance and matches financial reports provided by the City's Finance Department

<sup>2</sup> Fund Balance includes both Quimby and DIF sources and uses

<sup>3</sup> Beginning & Ending Fund Balance reflects balance of entire utility fund, not specific to capacity fee revenues and expenses

## 4. PUBLIC IMPROVEMENTS

This section of the Annual Report identifies each public improvement on which fees were expended for the Fiscal Year End June 30, 2022, the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees.

### FISCAL YEAR 2021/22 PUBLIC IMPROVEMENT EXPENDITURES

Fund	Fund Name	Project Name	Project Start FY	Project Finish FY	Project Phase	Total Project Cost	DIF Fees				
							Total Impact Fee Funded Amount	% Impact Fee Funded	Total Prior Year Impact Fee Expenditures	FY 2022 Impact Fee Expenditures	Impact Fee Funding Remaining
249	Traffic	Barton Bridge Replacement	2019	2024	Active	\$ 611,132	\$ 120,478	19.7%	\$ 10,451	\$ 8,843	\$ 101,184
249	Traffic	Agua Mansa Bridge Over Rialto Channel	2022	2025	Active	\$ 1,379,976	\$ 272,048	19.7%	\$ -	\$ 578	\$ 271,470
249	Traffic	TS Install N St. & Rancho Ave (Local)	2020	2022	Completed	\$ 400,000	\$ 15,546	3.9%	\$ 19,346	\$ 165,348	\$ (169,148)
249	Traffic	Traffic Sign Meridian/San Bernadino/Olive	2022	2024	Active	\$ 400,000	\$ 15,546	3.9%	\$ -	\$ 8,422	\$ 7,124
249	Traffic	I-10/Mt. Vernon Interchange	2021	2025	Active	\$ 10,533,446	\$ 2,080,505	19.8%	\$ 40,834	\$ 63,783	\$ 1,975,888
521	Water	New Wells 1&2	2020	2024	Active	\$ 10,000,000	\$ 7,800,000	78.0%	\$ 71,750	\$ 1,795,058	\$ 5,933,192
521	Water	New Reservoir for Cental Zone	2023	2024	Planned	\$ 7,000,000	\$ 4,620,000	66.0%	\$ -	\$ -	\$ 4,620,000
521	Water	New Reservoir for Crystal Ridge	2023	2024	Planned	\$ 7,000,000	\$ 7,000,000	100.0%	\$ -	\$ 8,932	\$ 6,991,068
522	Water	Rehab Booster Station - Prado	2022	2022	Completed	\$ 1,500,000	\$ 945,000	63.0%	\$ 135,143	\$ 1,231,550	\$ (421,693)
523	Water	Rehab Booster Station - Crystal Ridge	2023	tbd	Planned	\$ 1,500,000	\$ 1,500,000	100.0%	\$ -	\$ -	\$ 1,500,000
524	Water	New Booster Station at Rialto Reservoir	2023	tbd	Planned	\$ 2,000,000	\$ 2,000,000	100.0%	\$ -	\$ -	\$ 2,000,000
522	Wastewater	Lake Cadena Sewer Lift Station Replacement	n/a	n/a	Inactive	\$ 2,000,000	\$ 2,000,000	100.0%	\$ -	\$ -	\$ 2,000,000
522	Wastewater	Center Street Lift Station	2023	tbd	Planned	\$ 3,000,000	\$ 3,000,000	100.0%	\$ -	\$ -	\$ 3,000,000
522	Wastewater	Fernandez & Flores Lift Station Rehab/Replacement	2023	tbd	Planned	\$ 300,000	\$ 300,000	100.0%	\$ -	\$ -	\$ 300,000
522	Wastewater	Mt. Vernon Lift Station Rehab	2023	tbd	Planned	\$ 700,000	\$ 700,000	100.0%	\$ -	\$ -	\$ 700,000
522	Wastewater	Fairway Lift Station Rehab	2023	tbd	Planned	\$ 300,000	\$ 300,000	100.0%	\$ -	\$ -	\$ 300,000
522	Wastewater	Glenwood Wildwood Lift Station Rehab	2023	tbd	Planned	\$ 150,000	\$ 150,000	100.0%	\$ -	\$ -	\$ 150,000
522	Wastewater	Modernize WW Treatment Plan	2022	tbd	Active	\$ 25,000,000	\$ 25,000,000	100.0%	\$ -	\$ 777,392	\$ 24,222,608
522	Wastewater	Trenchless Tech Lining	2020	2030	Active	\$ 3,000,000	\$ 1,620,000	54.0%	\$ 646,503	\$ -	\$ 973,497
<b>TOTAL</b>						<b>\$ 76,774,554</b>	<b>\$ 59,439,123</b>		<b>\$ 924,027</b>	<b>\$ 4,059,906</b>	<b>\$ 54,455,189</b>

The Mitigation Fee Act also requires annual identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement. The projects listed above represent active uses of impact fee funds to complete current capital improvement projects. Other than the projects listed in the table above, the City has not identified any public improvements that have sufficient funds as of June 30, 2022, to complete the financing on incomplete public improvements.

## 5. INTERFUND LOANS

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The Mitigation Fee Act requires a description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended. There are no existing loan agreements between the City's impact fee funds, and there were no interfund transfers or loans made between impact fee funds in Fiscal Year 2021-22.

## 6. REFUNDS

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As discussed in this section 4.3 of this report, in Fiscal Year 2021/22 no such determination has been made by the City regarding sufficient funds collected to complete incomplete improvements. Therefore, no refunds were made or required. The refunding requirements for the Mitigation Fee Act are summarized as follows:

**Refunds under the Mitigation Fee Act:** If the City determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Government Code Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).



## City of Colton Impact Fee Summary

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Following is a summary of impact fees assessed by the City of Colton on new development. Please contact the Public Works Department (909.370.5065 | 160 S. 10<sup>th</sup> Street) for a precise calculation of impact fees for your development. Fees are current as of February 2020 but are subject to change at any time.

### Infrastructure Fee ("SBCTA Fee")

#### **Circulation Fees for Arterial, Interchange and Railroad Crossings Improvements**

Land Use Category	Parameter	Trips/Unit	Fee
Single Family	Units	9.57	\$4,007
Multi-Family	Units	5.86	\$2,453
Retail	KSF	38.66	\$8,093
Office	KSF	9.21	\$3,856
Industrial	KSF	4.7	\$1,967

#### **Development Impact Fees and Capacity Fees (Ordinance No. O-020-20)**

Land Use	Residential		Non-Residential		
	Single-family \$ per Unit	Multi-Family \$ per unit	Commercial \$ per 1,000 SF	Office \$ per 1,000 SF	Industrial \$ per 1,000 SF
<b>Traffic Facilities Fee</b>	\$1,623	\$1,236	\$395	\$676	\$147
<b>Public Facilities Fees</b>					
Police	\$1,134	\$863	\$276	\$472	\$102
Fire	\$870	\$662	\$211	\$362	\$79
Library	\$515	\$392	\$125	\$214	\$46
Civic Center	\$180	\$137	\$44	\$75	\$16
<b>Total</b>	<b>\$2,697</b>	<b>\$2,054</b>	<b>\$656</b>	<b>\$1,124</b>	<b>\$244</b>
<b>Park Development Fee</b>	<b>\$5,714</b>	<b>\$4351</b>	<b>\$0.74</b>	<b>\$1.27</b>	<b>\$0.28</b>



## City of Colton Impact Fee Summary

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### Quimby and Park Impact Fee Programs (Resolution No. R-03-20)

Quimby In-lieu Fees	Fee
Single Family Housing	\$5,605
Multiple Family Housing	\$3,908

### Water / Wastewater Fee (Ordinance No. O-020-20)

Land Use	Residential		Non-Residential		
	Single-family \$ per Unit	Multi-Family \$ per unit	Commercial \$ per 1,000 SF	Office \$ per 1,000 SF	Industrial \$ per 1,000 SF
<b>Water / Wastewater Fee</b>					
3/4" Meter	\$2,968	\$2,968	<b>Non - Residential Land Use See Table below [2]</b>		
1" Meter	\$4,956	\$4,956			

Non-Residential Water/Wastewater [2]	Fee Amount
3/4" meter	\$2,968
1" meter	\$4,956
1-1/2" meter	\$9,883
2" meter	\$15,819
3" meter	\$31,668
4" meter	\$49,476
6" meter	\$98,921
8" meter	\$178,076
10" meter	\$237,435
12" meter	\$333,893

**\*\*This is not an official record of impact fees. Applicants should contact the Public Works Department directly (909) 370-5065 for the fee calculations associated with their projects\*\***